

**City of Glenns Ferry City Council Workshop: Water/Sewer Infrastructure Bond
August 10, 2021**

The City Council Workshop of the City of Glenns Ferry was opened and called to order at 5:30 pm on Tuesday, August 10, 2021, by Monty White, Mayor.

Members Present: Billy Galloska, Dani Martinez, Kenny Thompson, Mayor Monty White

Staff Present: Lori Freeman, Christy Acord (call-in), Scott Nichols, Teresa Parsons

Others: Donn Carnahan, Adeanna Jenkins (Region IV Development), Jeff McCurry (Region IV Development)

Mayor White: Tonight, is not a public hearing, it's a workshop. The council can ask questions of anybody that's here, but if people from the public show up they are here to listen. This is information from people from the city council.

1. **CITY COUNCIL OPEN MEETING/ROLL-CALL ATTENDANCE:**

 A Susan Case X Dani Martinez X Ken Thompson
 X Billy Galloska X Mayor Monty White

****LET THE RECORD SHOW THAT SUSAN CASE IS ABSENT****

2. **ADOPTION of the AGENDAS:**

WATER/SEWER INFRASTRUCTURE; WATER/SEWER BOND WORKSHOP:

Mayor White: I understand you have a short introduction of what you guys do, what you can do for us and stuff like that.

Galloska: I motion to accept the consent agenda.

Martinez: I'll second.

Mayor White: All in favor, all-ayes.

3. **DISCUSSION with Donn Carnahan on the Water/Sewer Infrastructure; Water/Sewer Bond Plan.**

Carnahan: Workshops are intended to ask questions and freely give and go and what not. I think the goal of this meeting at the end of it would be with direction of. Yes, we're going to do something or not. And if we do want to do something, how do we accomplish that. Do we go to the public or do we...? We can get into that. That's really my goal is to inform the council of the condition of the city's water and sewer and if you think we should pursue a project or projects and how we can go about that. With that do you guys want to talk about the services you provide?

McCurry: Good evening, mayor, council it's good to be with you this evening. My name is Jeff McCurry I'm president of Region Four Development Association. I have here with me tonight Adreana Jenkins, who's a community development planner with our organization. And the Region Four Development has been helping cities and county's find funding for various kinds of projects like you guys are facing here in Glenns Ferry since nineteen-seventy-five (1975). Me personally, I've been doing it for twenty years. I know a little bit about what you're going through, some of the challenges that you have. To give you some background on Region Four Development, we are an original planning district that serves eight counties in South Central Idaho. We do not cover Elmore County, but the district the use to cover Glenns Ferry dissolved in two thousand sixteen (2016). As we have capacity, we try to help communities in this region when there's a need. We

are willing to come over and help and work through any challenges that you have and that's what we're here for and we're happy to do that. Based on a discussion with Christie Acord, she did let us know that you guys have a water system and a sewer system facility planning study and as any community does, when you complete those, you have a long list of improvements that need to be done and that's more than you can probably afford in any one shot. Part of your challenge is to identify what is it that we need to try to get done and how can we break this up in phases to get done down the line. Typically, a budget needs a jumpstart or a big bulk of it needs to be done cause usually your systems out of compliance, there's some regulatory issues, some safety issues, so there's some things you have to focus on first. You as a mayor and council need to identify what are the critical issues and what do we want to accomplish from this feasibility planning study? If you can afford that keeps the reigns comfortable for the users and honestly, try to keep the rates affordable as possible. There are resources available out there to help with these projects. I don't know how your feasibility study was planned for. You can apply to DEQ to get a grant to do feasibility study and do updates. You probably don't need to worry about that at this point in time, because it's still fairly new. There's resources through the state and federal resources to help offset some of those costs. So, if you're looking as a mayor, council, you have to forgive me I haven't seen your planning study. But there's probably costs and I'm just going to just throw out a number, let's just say there's five million dollars in improvements that have been identified and you can only afford maybe one and a half million dollars of that. We would look at how to best finance that on point five million dollars. There's a couple of agencies available to help with that, the state funded by the Department of Environmental Quality they provide low interest loans at about one point seventy-five percent that can go out for thirty years. There's also USDS Rural Development which historically they've always had a little bit higher interest rate, but you can actually take their loans out to forty years. But lately their interest rate is pretty much the same as DEQ at one point seven five, that's kind of what we've seen. With USDA dollars if you do qualify, you can actually qualify for some of their grant funding, which is typically about seventy-five, twenty-five percent requirement. So, you borrow seventy-five percent, and you get a grant of twenty-five percent. DEQ funds, they don't have a grant program, but they do have some principal forgiveness that you can try to qualify for. Which is about five percent of your loan amount. They don't call it a grant; they call it a loan forgiveness program. That means you don't have to pay it back. One of the other things that's available through the state, is the State of Idaho gets about seven point five million dollars each year to create the Idaho Development Block Program. That's funding that goes to communities and a big portion goes to communities that are doing water and sewer type structure systems. There's five categories you can apply for under that funding. One of those specifically is public facilities and that pays for water systems, sewer systems, fire stations, fire trucks, and to be eligible you have to meet two criteria. The first one is you must resolve the health and safety issue, the fact that you have a planning study, I', willing to bet if I look through that I'll find a few things that your system is not in accordance with, so you would qualify under that. The second criteria is you'd have to benefit a community that is considered low to moderate income. They look at your income level and I'm happy to report to you that you automatically qualify. So, you are eligible for that funding, you can apply for five hundred thousand dollars and those funds can be used for construction, engineering, there's just a wide variety, acquisition if you need to purchase land. A couple of things that are a little unique

with these funding programs, with Department of Commerce, they are federal funds, so they do come with some federal strings. Same with DEQ, there funds come with some federal strings. In particular, what you guys most care about is when it comes to construction, it comes with a payment with prevailing wages. Typically, that can range your cost, some engineers say, ten to twelve percent of a project and in today's environment some will say it doesn't have an impact, but we always try to budget on the side of those costs. When it comes to USDA Rural Development, somehow, they are a federal agency and somehow, they've gotten away with that requirement. If you do choose to go with a bond or a judicial confirmation and you do want to get funding through USDA, their funds do not trigger Davis-Bacon. So, we would work with you on structuring a project so that we use the grant dollars for non-construction activities, so for like engineering, land purchase, or some kind of way of using the grant dollars in one area so that loan dollars we wouldn't trigger that Davis-Bacon piece and that's some cost saving to help you stretch your dollars. It comes down to two things, if you do want to move forward with the project, I will tell you that all of these agencies work together, and they meet regularly on projects. So, if you apply for CDGB dollars and you apply for USDA or you apply to DEQ, they meet with USDA, they meet with the Department of Commerce and they talk about how they can best serve the City of Glenns Ferry. They work in partnership and at times it takes all agencies to come to the table to get projects done. So, there's a lot of coordination at the state level to try to help you put together the best project that you need. As with any case, no ones going to pay one hundred percent of anything, they're going to want to see the city participate in this and step in and do their part. The way that we do that is picking out a bond. Now, you have two options, you can wage your rights in a way that you save money and then you tackle projects as you have enough money, you can tackle projects, so you don't have to do a bond. If you have that luxury and you have that time cause you don't have anything significantly wrong with your system, that's a good way to go. If you don't have that luxury and you need to start making improvements immediately and you don't have the cash in reserve to do that, you need to go out and bond. There's two options to do that, one is through going to the voters and go for a general revenue bond and that takes fifty percent plus one vote of the voters on the system and basically you go to them and see if they can buy in and repay the bond. You need to look at what your monthly user rates are, what your existing debt service is, are you going to put some aside for a rainy day, and what is that impact on the monthly users.

Mayor White: When you said debt, you're talking about bonds that we may already have?

McCurry: Correct. That's kind of where you start and then probably the question you're all going to be asked is, well if I do this how much is my rate going to go up every month? That takes a lot of calculation and will help you kind of navigate the funding agencies like, what does DEQ offer and do you qualify for any other grant programs. What does USDA offer, what does it come with their grant programs and do you want to do the block program, yes or no. There's a lot of things we can help you navigate as you walk through this process. Then the next step would be, if we do have a one point five-million-dollar project and we get half a million from the block grant and we're able to get seventy-five to twenty-five match from USDA, they're going to come to the table with two hundred and fifty thousand dollars so that means we're only going to part with seven hundred and fifty thousand dollars to do our one point five-million-dollar project. What does that impact have on our user rates? That's the calculation, so rather than saying what's the impact of my user

rate, typically, you've got to look at the big picture then back into that number to see where you're at and the impact it'll have on your users. There's resources out there if you do go through USDA. They work a lot with the Rural Community Assistance Corporation that can help you do a rate study if that hasn't been done as part of your planning study. So, there's resources out there, don't feel like you have to go out and get this all on your own. This happens all across the state and across the country. One of the things that comes to grant funding through DEQ and USDA, they do look at the kind of system that you have, and they do look at the size of your community and they do look at how you compare to other cities that have similar systems. The way that USDA grant funding typically works is they try to provide grant funding to make you similar to those across the county. They have data showing what your system and population is like across the country. They know what typically what a system of your size should be charging for your rate. To be eligible for their grant funding you got to be within a certain range. Right now that's about forty-five to fifty-four dollars a month of where your user rate is, I don't know where you guys are at today. That's typically where you have to start as a base rate.

Parsons: Waters forty fifty (40.50) and eighteen seventy-five (18.75) for sewer. Fifty-nine o'seven (59.07).

McCurry: You're in a good spot for water, you're close. Your sewer, you have a long way to go before your eligible for USDA grant funding. Now that doesn't mean you can't qualify for their loan program. There's just some things you'd have to jump through on your sewer side.

Mayor White: In other words, the council would have to raise that sewer rate up.

Thompson: What's the sewer rate that would qualify?

McCurry: Typically, its fortyOfive to fifty-four dollars.

Thompson: For it also?

McCurry: Mmm hmmm. I don't want that to detour you from going forward, but we would want to do our due diligence and go to the USDA and say this is the project that we want to do. Do they qualify for grant funding?

Galloska: In other words, we're talking on the sewer side of it, but on the water side of it we would be in that range, correct?

McCurry: You're close

Galloska: So, if our project was in the water side, it wouldn't affect the sewer.

McCurry: The water system, the sewer system are their own enterprise. You've got to keep them independent, and you operate them like its own business. Like the way USDA and DEQ look at it, they look at each water system and sewer system separately. They don't look at well this is so much water and this is so much sewer. They don't look at the end game cause it's so much different. We just look at what is the impact on just the water or just the sewer.

Mayor White: Would you work with our engineer to help us with that?

McCurry: We work a lot with engineers, we have a great relationship with JUB with Keller Associates, whoever your engineer is, we work with them. We work hand in hand. It definitely is a team effort. And really, it's driven by you as mayor and the council to decide how you want to go about this, but the very first question that you have is going back to this planning study to say, you have a lot of things that they're recommending for you to accomplish. You and the mayor and council with the help of your engineer is to identify, what are the critical things, what can we afford, and once we identify what that looks like, that's when we go out and start shopping for the dollars and fill in

those gaps. One resource that I do want to tell you about, there's funding through the US Army Core of Engineers that is dollars that we can go after. It's just a letter that you'd need to send to the Core of Engineers and say we have this project we want to do it and then they'll tell you it's about a two-year cycle that you'll have to apply for those funds. Again, those come with strings so the Davis-Bacon, with those dollars it's a seventy-five, twenty-five match. They would come in with seventy-five percent of the cost, you would have to come in with twenty-five percent. So, if it's a million-dollar project they would come in with seven hundred and fifty thousand you'd have to come in with two hundred and fifty thousand dollars. Just recognize that. Usually, they cap it at about five hundred thousand dollars. That could be something you can do as a separate phase, down the line, but I wouldn't wait for those funds to move forward with your project.

Thompson: When you talk strings, what kind of string are you talking about?

McCurry: With construction, are you familiar with Davis-Bacon?

Thompson: I realize that.

McCurry: So, that's some of it. DEQ fund that come with the Buy American conditions. With bid projects we have to make sure there's things we do and make sure its Buy American. Let's go to the Department of Commerce for a minute. Because the funds come from the US Department of Housing and Urban Development, keyword is housing, there are some strings that come with those funds that says the community will promote fair housing throughout the community. You'd have to adopt a resolution, you have to proclaim housing (inaudible), we have to do a fair housing assessment, and that's all part of the administration that we help with to help you comply with those conditions. But those are hoops that the city has to jump through. Folks that have disabilities the city has to prove that the city provides them programs and services in their facilities to people that are disabled. We take your transition plan, I'm assuming you have one if you don't, we help you put one together, we look at that and update that and make that part of your planning process. If there's any land acquisition that's required with your project, we have to jump through the federal acquisition process. It's different than say the city wants to go out and acquire the property. Once you get that award of those federal dollars, you have to go through a certain process to make sure that the property owners are fairly treated with the purchase. I can dive into a lot more if you have specific questions, but those are what primarily happens. Before any construction can start, environmental assessments have to be done from Department of Commerce and I'm not talking about a phase one and phase two, I'm talking about the environmental review that complies with the National Environmental Policy Act. We have to do that with both the Department of Commerce USDA funds and DEQ funds. One of the things in time and depending on how quickly you guys want to move, typically, if you're going to go out for a bond there's two times a year you can do that. You can do that in November and in May. To be eligible for the block grant funding they look to see if your bond passes, and they would look for that November deadline to hold your election. If we wait till May, they actually award the grants in April and unless you have a bond, they don't count your match. So, really, we'd be looking to hold the bond election in May or in November, if you wait till May you can apply for the block grant in November following November recognizing the award wouldn't happen until the following July that it wouldn't be available. I mention that to you because to get on the ballot for November you have to have an ordinance pass that you're going to move forward with the bond election and that has to be adopted by the city council and delivered to the county by September thirteenth. That

day is quickly approaching us so if that is something you want to do I recommend you get a bond attorney. We work a lot with Stephanie Bonny out of the Boise area, there's more throughout the state if you want. She's great, she helps you from beginning to end through the process and if the bond passes, she helps you do all the negation on the back end and then once the bond closes and the project is completed and we close everything out with USDA or DEQ or both if they're both in the bond.

Carnahan: She did take a presentation to the council over the phone on the bond process.

McCurry: But just recognize that that deadline is coming up shortly. Thank you for your time, I'm happy to answer anymore questions as you go through out your discussion.

Carnahan: I have some handouts that I handed out about three council meetings ago would you like some hard copies too? I thought I'd start with the water just because that's why we're here. Back in, I think it was twenty seventeen (2017), twenty sixteen (2016, the city applied through DEQ a letter of interest for a water project that included the fire flow, added storage tank, add generators, make upgrades to the distribution system, and treatment systems for a total of three million six hundred fifty-five thousand (3,655,000) and it was approved through DEQ and then this was about the time I was coming on board and it included the thirty year loan at one point seven five percent at about four hundred and eighty thousand of that principal forgiveness as you mentioned. At that time the administration and staff chose not to pursue it and now it's kind of just gone away. The reason I say that is there was a project out there and there wasn't support for whatever reason, I don't even know. But that's kind of what was out there previously, and I think that the administration and staff didn't have the support and just died, and nothing was ever pursued. What we've got before is from the Facilities Planning Study are different recommendations for the water supply and storage with the different scenarios and even though it is over five years old, and costs have changed, there's probably a thirty percent increase plus or minus on these numbers, but it gives you an idea of what it may take and there are also some rate increases that are associated with these costs. Again, it's not exact and needs to be updated. A lot of times people like to say for every million dollars I bond for, it's going to raise my rates seven dollars or ten dollars or what that number is. That kind of gives you a sense of what it will take and what would have to be increased. I'm going to switch to chapter eight to cut to the chase. With the time we've got we probably should cut to the chase of what are the projects we've got and what are the costs. On page eight dash two, there's option one it includes some fire flow improvements, condition improvements, the forty-four million dollars, and then if you look at table eight dash two one was a five point four-million-dollar project....

Galloska: What does that include?

Carnahan: One the eight, one it has generators, it has water treatment alternative treatments, and some fire flow improvements including the storage tank,

Mayor White: I'm assuming the aging condition would be the pipes in the ground.

Carnahan: If I remember right, it was like twenty-five percent of the pipes would be replacements or improvements.

Martinez: This is work form two thousand sixteen (2016).

Carnahan: The prices are twenty sixteen (2016) prices. The research I've done shows that you might expect a thirty percent increase in these costs plus or minus. It's a difficult thing to estimate now because some materials, especially like pvc pipe it's very expensive now and you can't even get

it. Cement is kind of a hard thing to get now. I hope in the next few months it's going to even out. It went way up, and I think it's starting to come down. This is a scale of a range of what you may or may not want to do.

Mayor White: But that's one of the decisions I think you're going to have to make is do we do it now when the cost is so high or do we wait. Our public works director is saying we're sitting on a time bomb with some of these deals.

Nichols: Looking up prices now, that backup generator is way low.

Martinez: If you get the bond now, it's what July before you can get any funds?

McCurry: You have to recognize there's going to be some design period. It's going to take a good twelve months; I could be wrong.

Mayor White: Is part of the process, the engineering fees in there. Getting funding and we can pay for engineering out of funds whichever direction we decided to go. DEQ, do we have to pay for the engineering or is that part of the funds we get?

McCurry: You can use that.

Mayor White: They probably have a percentage, we can't just spend all of it on engineering.

McCurry: You need to have a commitment from them. Typically, they won't allow you to pay for anything that expires. You have to pay for their funding, they have to offer it to you, you have to go through a process to accept it, sometimes you'll have to pay for things but

Mayor White: The reason I bring that up is so that the council can think about this. We may have to pay for that planning so they can submit. We don't have any idea of what it's going to cost so we're going to have our engineer do some design work up front and the city is going to have to pay for that up front while we're working toward getting funding.

McCurry: Yes.

Mayor White: And with the chance that it might not be reimbursed.

McCurry: Typically, every agency going to want to see a contribution made by the city. And so that will be recognized as a contribution. You can probably appoint a planning study and the work done in the last round; you may be able to count that as well. You've been working on this for the last five years. They may or may not allow that, but that's something we can go to them and say, we're trying to get this done. They might say you have to spend a million dollars before we come in. Then you can say ok, but where is that money going to come from. You have to spend one hundred thousand dollars before we give you grant money, well we're paying that for engineering, we're putting that toward costs, paying for feasibility.

Mayor White: Just recently we did a leakage test on the sewer lagoons trying to move solids and that was so we didn't penetrate something that might be able to be a part of that.

McCurry: So, you're talking about wastewater. It's important that if you're working on wastewater, you're working on the wastewater side, it can't go to the water side.

Mayor White: So, we can't take those dollars that we paid for the leakage test and apply it to the sewer side of what we are trying to do?

McCurry: Somewhat. What they don't want to do is get into maintenance costs. They want to keep it as a project. Not routine maintenance that you do that test every year. You can't really count that, but it's worth capital investment.

Nichols: So, your two thousand sixteen (2016) back-up power generator, capital calls for twenty-two or seven million what is that twenty-two point seven?

Carnahan: Two hundred thousand dollars.

Nichols: Two hundred thousand dollars, that's for the back-up generator just at the water plant?

Carnahan: So, there was two of them, one was up at the intake and one at the plant.

Nichols: Three hundred kilowatt at the plant, one hundred kilowatts at the pump house today the base price for three of those is one hundred and fifty-six thousand six hundred sixteen dollars delivered. Not hook up, just bringing to town.

Mayor White: The two hundred and seven thousand dollars was the hook up.

Carnahan: It would be operational, ya. There's option one and there's option two, option three gets more expensive as you go. You can look at it as a shopping list and decide, especially what Scott's input on what is the most important. Is it storage? We have some fire flow issues, not supplying enough fire flow to certain locations, is it distribution piping? Scott, have you repaired the piece on the water tower down there on Commercial?

Nichols: They replaced a piece on it today.

Carnahan: So, I mean, you go to dig up the leak and you keep coming back, coming back and you don't find anything. We're thinking that line maybe.....

Mayor White: Or we've starting another leak somewhere.

Galloska: Or they weren't using the right pipes in the first place.

Carnahan: I mean don't we think that was originally the water tank, the water tanks one hundred plus years old I believe.

Thompson: I would say it's close to that.

Nichols: And the one down Commercial has since been abandoned (inaudible).

Mayor White: Well, I think there's a lot of good information for the council to go down through there.

Carnahan: For example, that table eight-point two option one, it's based on how many equivalent dwelling units, how many houses, but it gets down to the monthly increase, you can see that five point four million if it was going to be all low interest. But entirely through low interest loans it'll be twenty-seven dollars increase. And if you can get half through loans and half through forgiveness or grants or whatever it be, it'll be down thirteen dollar a month increase range.

Galloska: Can I ask, before you said it was about a thirty percent increase of what you're estimating since it was put in, do you think that also matches what the cost is to the consumer?

Carnahan: You mean the users and their benefits?

Galloska: Yes. The user's benefit would be thirteen, twenty-four increase, would the price be thirty percent above that?

Carnahan: Yes. It should be proportioned.

Galloska: And what's the difference between scenario number one and scenario number two? Just the years probably?

Carnahan: Option two is a combination of construction. A two hundred-thousand-dollar, storage reservoir, two back-up generators, all water treatment options, we have replaced the membrane and they had some money set aside for that already. That included fire flow improvements and distribution system aids, condition improvements and the new pipe at the airport that we're already working on sort of, but it's not in. So those are some explanations of the different options.

Mayor White: We spent, we're at six hundred and twenty thousand dollars for the membranes.

Martinez: What's the airport (inaudible)?

Thompson: To get water down there.

Mayor White: We don't have a loop down there and that's what we're really trying..... It isn't just for the airport; we want to loop in on it. If we're going to put a loop out there, it makes sense to get fire protection out there.

Thompson: The only water that goes out there is a two-inch line.

Carnahan: Instead of two hundred and fifty thousand gallons we think it's got a million-gallon storage tank. We're not held in doing these options we can do pick and choose like a grocery list. Scott what do you see as the biggest priority.

Nichols: That's a tossup between the tank and the generators at the plant.

Galloska: What about the age and condition improvements?

Nichols: The age and condition of the piping is a serious concern, but a snake is not good without its head. Your piping can be the best piping in the world but if you can't pump the water out of the river and manufacture clean drinking water to put it in through the pipes. You're spinning your wheel. If that plant can't stay going twenty-four hours a day, three hundred and sixty-five days a year without a back-up generator the priority is there.

Mayor White: We came in, what one hundred thousand gallons...

Nichols: We came in within twenty-nine feet of being bone dry. And we're still playing catchup with the glitches of the power plant being shut off for that amount of time. The plant does not like to have the big red button pushed. It likes to run constantly and smoothly and when dirty power hit it went offline and it took fourteen hours to get it back online and we were one foot within DEQ having to shut down. Which is the reason why we put the plant in there to begin with. Is because of the boilers, polluted and dried up, had a back-up generator been in place, as soon as a glitch kicked on stayed running, had water in it. We would still be able to supply water to some people in town that had power. You can't get water to your house if you don't have power to begin with, but not everyone in town was without power and water. A good portion of it was our water plant. So, my priority is the river. The piping would be a close second storage tank, now we have twice as much water that we can distribute throughout town.

Martinez: But would we need that second reservoir if we have the backup power?

Nichols: No. If we had the backup power, it would stay functioning with what we currently have. It was manufactured properly, except there was a big thing that was left out and that's power. Cause without power, that water just keeps going down the Snake River.

Carnahan: I think also Scott, for the fire flow, to ride enough fire flow you do need a second tank. For fire flow, not for peak summer demand.

Nichols: If we had a big fire in the business section of town, that plant wouldn't shut off until the fire was done, the tank was filled, and the distribution systems were filled back up. The wear and tear of the plant to keep up with the fire suppression to keep that tank full would be more work on the plant. The second storage, the infrastructure it all plays hand in hand, I can't just say the infrastructure is the most important thing. Without the water plant you don't need infrastructure, without a tank you can't out water in it for the infrastructure. But a fire, the fire loop, fire suppression, a second tank would be ideal, but we'd be spinning our wheels if we didn't have power to put water in the tanks. All of our attention needs to be getting backup generators, the river pumps. When they go out, they go out. We can't manage them; we can't help our citizens.

Carnahan: Every one of these options include the backup power.

Mayor White: As the council you guys are going to have to decide on which way to go.

Galloska: And I agree with you Scott. Keeping water, it has to be our main purpose, but if we have leaking pipes down the road, that's just as big of a problem. One of these packages that includes all of these is out best bet.

Mayor White: At least some pipes being replaced.

Galloska: Right, right the twenty-five percent. We got to start somewhere. And the biggest thing is that we're not coming in here and tell the city, hey we're going to do it without, we need to ask them what they want. We all know it's a problem, we hear it constantly. We hear it in social media, in talks around town, everybody knows there's a problem and it has to get fixed. No one comes to city council to get it going so, out only way of finding out is to put it in front of them and say here it is. Do you want it or do you not? We take that grocery list that we get from the hearings, and we put it out there for them to vote on and they decide whether we do it or not because eventually they're either going to say yes or no on the bond issue. If they say no, then we have to figure out another way to pay for this generator that we have to have.

Nichols: Then we hope that with those meetings and discussions that we can come to a consensus of yes, we need to do this, no we don't need to do this, before DEQ comes in and says this is what you're going to do and you're going to have to pay for it. Now you don't have a choice then.

Galloska: Just for example, we put these numbers together with a thirty percent increase, if you were to go with option two under option to of the probably cost, it increases the users, and I don't want my charges to increase either, I get it, but it would increase the cost to fourteen dollars and seventy cents a month. I can't see letting the city collapse because I don't want to pay fourteen dollars and seventy cents extra. That's just my opinion.

Thompson: Well, I would agree with you. If it goes up fifty bucks or something.....

Galloska: Then we have a problem.

Mayor White: I'm not trying to be a naysayer here, but when I first got into office Christy and I went around and we did some figure and we come up with figures to replace the tank, stuff on Commercial, replace the bad lines, and we talked to Donn and did our own little thing, and it came to about eighteen dollars for water and twelve or thirteen for the sewer raise. I took it down, Kenny was there that morning, and there was quite a few people in there and I brought this up and I had to make a run for the door. It went all over town that the mayor was trying to bond and borrowing all this money and it just went completely off the hinges.

Nichols: But they have to understand without, you can't have growth without growing pains.

Galloska: The reality is, it's not just growth at this point, we're talking about pipes that have been here since how long, a hundred years. That's a problem.

Martinez: And you're saying for some of the money we have to be between forty and fifty for the sewer and we're only at eighteen. If we were to go up to that, could we make an exception for the seventy and older on a budget, for senior citizens?

McCurry: You can set up your structure however you guys want to. What the funding agencies are going to want, just like any other bank institution, they're going to want to look at your system to make sure you can meet your obligations and operate the system and that you can pay your bills and that you can continue to provide the service, so it doesn't shut down. Ideally, they'd also like you to put money aside for a rainy day because in ten years, when you put that new pump in, in ten years it's going to run out and you're going to have to replace it. So, the idea is you wouldn't have to scramble around and say sorry I can't replace that pump. They're trying to set you up in a way,

so you don't have to do that. Now, can you give a break to your seventy and over group that is a choice that you and your council can make with your rate structure, but recognize that there is going to be a cost associated with all of this taking out a bond. Regardless of the seventy-year-old turning the water on, the water is still going through. You still have an electrical cost; you still have these costs associated with the systems. How is that going to be paid for? Now, one of the things you want to keep in mind, if you structure this as we're talking about growth you want to develop a system that maintains what you have now. You may or may not use impact fees, but impact fees are the way to offset the cost of growth. The growth should not come with a cost to the people already on the system, that's what impact fees are for. Do you have impact fees and are they set up appropriately to help you maintain the wear and tear on the system, the additional wear and tear on the system that's all things that as you look at your rate structure and your impact fees. That's what you want to be looking at to make sure it's made fair across the board. There's also some communities, that their impact fees are so high that no one's ever going to move there. If that's what your goal is, then that's great. But if you want to see growth, if you want to see Glenns Ferry businesses coming in, new homes coming in then you can't make your impact fees so high that people can't afford to come here either. It really is a strategy, you as a council, how you want to set that up. You can give a benefit to the elderly folks, but how are you going to offset that cost?

Galloska: Have you seen other communities do that and how does this work for them?

McCurry: I have not seen that.

Mayor White: Our current bond that we have for water and sewer, specifically says that all rates are across the board. That's what we're operating under right now. Like you said, I don't know if you can renegotiate that down the road. But right now, everyone has to pay, you can't give water away. Everybody has to pay the same rate.

McCurry: You can set up different rate structures. Residential can pay different than your commercial. Industrial can pay different than your commercial so you can tier it.

Mayor White: I'm just saying currently, that's the bond we have.

Carnahan: With the water and sewer, there's still a lot of years for it to be paid off.

Parsons: Two thousand thirty-seven for sewer and two thousand thirty-four for water.

Martinez: And when are those taken out?

Thompson: The water one would have been when they built the plant. Sewer was after that.

Parsons: The sewer bond was taken out June two thousand eighteen. That was the start of this paperwork. Am I reading that right?

Nichols: Was it ninety-four when the plant was built?

Carnahan: I think that's when it was refinanced.

McCurry: That's something the council needs to think about. How long can you take this water out? The interest right now, but at the end of the day in twenty years how much of that is still functioning versus how much are you repaying.

Carnahan: We'll move on. We can get into a lot of details, but we don't have a lot of time to get into, but at least paint a picture of where we're at and if you have questions for me... We also have the same thing on the sewer side and maybe we want to go through that.

Mayor White: We still have thirty minutes; I'd like to see the sewer stuff.

Carnahan: I would like to talk about our strategy going forward or not. We kind of know we need to do something.

Martinez: Wouldn't it be cheaper to do the water and sewer at the same time, so we don't have to dig up the streets twice?

Galloska: If I'm understanding it correctly, they have to be separate bonds, is that correct?

McCurry: That's correct. Just food for thought. Your ten feet from your water line to your sewer line. But really, you're tearing up both sides of the street.

Nichols: One side of your construction is going to be strictly water, then your sewer bond comes and then the other side is dug up, then you have a new road.

Carnahan: Here's the sewer side of things, you can see the bullet points. Some of our storm water drains into our sewer collection system and at times if we have a big storm it does show up in the plant and that's an issue. There's a recommendation to replace that. Also, a significant portion of the gravity lines have exceeded their life and need to be rehabilitated or replaced. You guys are already aware of the service station out by the park have had some issues and failures. Another thing is that I know Scott's very aware of is there's no screening to the ponds, so whatever gets into the system gets into the ponds aerators and causes headaches and hassles.

Mayor White: How many have we burned up this year?

Nichols: Well, all three of them.

Galloska: Is there specific reasons we don't have screens or what?

Mayor White: It was just never done.

Nichols: Of course, this is my personal opinion, it's the poorest design for the grate system. The headworks is, they missed the mark on that. There's absolutely no screen whatsoever and it is just a straight pipe with a box that goes straight into the ponds. Looking at the Mountain Home one they have an auger system so that it augers that.

Carnahan: That's a lot of maintenance on the staffs if you could take care of that it would free them up to do other things. The sludge in the ponds, I'm working on that. We don't really measure the outflow to the river which would be nice for record keeping and recording. The scada, the supervisory data acquisition control system doesn't really have that so that would be nice.

Nichols: It's all just manual handwriting.

Carnahan: So, again on the facilities plant there's different options here. Option one construct a storm water pump station and the key thing there is that the study indicated that if we were able to get rid of the stormwater from the sewer system then the pipes are big enough for forty years. I think one question though, would funding apply for the stormwater system even though it was going to add capacity to the sewer system. I think that's been a no, but I thought maybe I would ask for your guys. Thoughts on that.

McCurry: I think it was Lewiston who wanted to use their wastewater for storm water, and I don't think you can do that.

Carnahan: I think the biggest ones we have go out to Logan and over by the potato plant. Option one is to do the force main to the pump station also to video and clean the system. In the past the city's done some cleaning of the sewer lines and then the video inspection to see if there's intrusions or infiltrations going on or different things. I'm not sure how, have you done anything recently?

Nichols: Since I've been here, yes. Every chance we get to clean a line out, we call Sweets in. Small fee to camera it.

Mayor White: We're storing those right, so we have those.

Nichols: That is correct.

Mayor White: The lift station also does not have a back up if the power goes out. It was never put in.

Carnahan: You can see that table seven point one has the different alternatives and the different costs and so on.

Nichols: That fee for select removal for aerator pond has doubled.

Carnahan: It has. Then there's option two which includes different alternatives. It would include all of option one plus replace and rehabilitate and prioritize pipe lines of twenty-five percent of the collection system and then the scada system, the lift station with the alarms, flow monitoring and the aerator status. I think last time when the pumps failed at the lift station how did you guys discover that?

Mayor White: Someone called in saying the sewer was backed up. So, this one will have an alarm.

Carnahan: Then you got option three which includes all of two then you get into replacing the grinder, putting in the screen and the headworks building and some things on there. And then you see the different user rates increases down there depending on the funding scenario and the project that you may or may not pick up.

Mayor White: And this is just the sewer folks. You got to go back to the water. You had those three together and that's what the people would be facing.

Galloska: Well, no because you'd have two sperate bonds.

Thompson: Still the total bond is still going to go on the bill.

Galloska: Sure.

Martinez: Will option one cover everything that you need? Option two has replace twenty-five percent of the collection system or scada system.

Nichols: That is the scada system. What that does is we have that in the water plant and that can be logged on remotely by telephone in town or wherever you are if you get cell service. It tells you what is going on and you can see what is going on. It will just give you alarms, saying I've got a problem. Right now, it's I have no idea it has a problem. That's why it's imperative that we check it every single morning when we go down there, every single afternoon, every evening to go to the sewer lagoons as well as the lift station because it can fail, and it has. Option one is a great grocery list if we want to continue to use that term. Other than the fact that it does not include anything about headworks. Still, we'll have storm water issues. Where would you store that scada that cannot be out of the weather? We currently don't have the structure down there to keep that out of the weather.

Carnahan: Table 7-5 has the mechanical screen and the headworks building that's like a half a million plus dollars. That gets you kind of a nice scale of what different idea and try to figure out what you want to go for or not. Alternatively, sometimes we think we can afford twenty-five dollar increase in our sewer and a ten dollar increase in our water, what can that give us? What are our needs and here they are and here's what it's going to cost? Alternatively, there's reality in the world of being able to afford things, so there's two different ways to look at it and you can look at it the other way too. I don't know anybody knows that, but you might have a sense.

Nichols: The building is something that can be done in house. Does option one have anything to do with redirecting storm water?

Carnahan: It does have the assessment storm water pump station and force main.

Nichols: Storm water pump station and force main meaning that the force main is, someone will go in town and take those storm drains and direct them away from our sewer lines.

Carnahan: Ya, basically at Logan and Cleveland, they've identified that's the low point of the city. Generally, that's where the majority of the storm water gets into the routing system. So, this would include putting in a lift station in that vacant lot to the north of the library and then pumping it to the creek for about fifteen hundred feet.

Mayor White: That would take care of, but we still have JTS.

Carnahan: That would identify, that is the biggest contributor to the storm water system.

Nichols: But that is a huge potential for flooding of homes because the system cannot accept that much storm water.

Mayor White: I hate to cut anybody off, but we have a regular city council meeting coming up.

Carnahan: I guess we're just looking for and again the goal is to give some direction on what to do. We've talked about potentially doing if you wanted to, we need some public involvement, I would think. I think we want to refine these options into something that we felt good about and then take it to the public to see what support we have or don't and it can involve a pretty simple public meeting or if you know what you want to spend you can say here's a million dollars and here's option one, two and three, here's the shopping list and you have them put the money in or you put tags to kind of get what they want. Or maybe that's too fancy, I don't know there's a lot of options you can do that.

Mayor White: I think personally, I would recommend to the council that they elect giving three options. One is this is where we're at the full deal and then there would be one that you guys pick and choose some of the things that and maybe delete some of them and you might even give them a fourth option for a bare bones option, this is what we can spend and get these things fixed. I highly recommend to the council that you guys have a couple meetings.

Martinez: I think we need to just to get it out there that this is what we're looking at. We need to do it now and get ahead of the game instead of waiting for the emergency and then it's, we have to do it, now what do we do?

Mayor White: I do not see you guys being able to get a really good public meeting together and get information out and get this on the ballot.

Galloska: I don't think so either. I think the timetable that he was proposing for next year will probably be our best bet.

Thompson: Probably next November.

Martinez: It would probably be July twenty-twenty three. So, will our water, sewer and everything else work for the next two years without having any bumps?

Mayor White: No.

Carnahan: I think also the important timeframe is the DEQ letters are do usually in January timeframe and that's just another piece to the puzzle of timing cause it takes them, you know they rank and they do their awards and then you have to accept it like you said. There are a lot of puzzle pieces to fit to make this work.

Mayor White: What do you guys think about another meeting coming in at five thirty and gives you time to think about it and we can do that again next meeting? I know a lot of you have jobs. I can have Donn come back and refine some of this stuff from today.

Martinez: I was looking and if you do like category two on the water and increase it up by thirty-five percent, you're still looking at fifteen dollars' worth of water for the sewer if you take option one it's a little bit tweaked, it's around six so you're looking at around twenty to twenty-two dollars increase in water.

Thompson: And I think if we can get there we can probably, if you get some little old lady across town and she has to save all her pennies to get water.

Martinez: Will the twenty dollars make you or break you?

Thompson: It would take away from other things. The way things are going right now and for those who are on set incomes, when the gas is up by four bucks a gallon and groceries are going up here, I only have so much money to make it all fly.

Nichols: What I think, if I suggested as a group to educate ourselves before we try to educate the public and have a little bit more than one more of these meetings, so we fully understand.

Mayor White: The next council meeting is in two weeks, so we'll schedule some time and try for five thirty. Don't you can come back, you guys can study your information and come in here prepared to say this is where we want to go.

Carnahan: I'm glad to hear you guys are interested because back in twenty-sixteen there were some submittals and some approval and it just died, so it sounds like there is interest.

Galloska: I don't think this is something that we can just bring it here and just say, ya, it doesn't seem...we need to take it to the city, however. They need to make that determination. What number the council would be comfortable with bringing to the city. I know you can't answer that off the top of your head right now.

Thompson: I think it's a lot more than twenty-five bucks for those people that are on.....

Martinez: I agree.

Thompson: Don't go up that.

Martinez: Adding twenty-one I think that's doable.

Carnahan: I would say one question that we see in other communities is where they go to the public, which I think is a good idea, and if they don't get support and they have problem then they decide the council only wants to go out because they know anyway there's a need then that puts you in a little tough situation because you've not listened to the public.

Martinez: That was my next thing is if we have another meeting like this and we can own it between twenty and twenty-three dollars and we think that's feasible for everything that's going up and we have a public hearing on it and we don't have no body come then that tells me that their not really involved in what's going to happen and we can either bypass the bond and take it the the court system can we do that.

Carnahan: Ya, you can do the judicial bond.

Martinez: I mean it's going to affect a lot of people, but they can't even make it to come to an informational meeting where we have done all this then why take the time to vote in November or in May you know what I mean?

Thompson: Ya.

Galloska: But I think we need to be very diligent in making sure that they not only know but tell them that we need them.

Thompson: We have to figure out someway to get them to listen.

McCurry: So, the same thing on the sewer for everything I said, but one thing we would want is, you can only apply for one every year. So, they would be asking you what is your priority issue the water system or sewer system? Another thing I would want to have you keep in mind is what you're looking to take with each one of these the water system, the sewer system it is a lot of work for the mayor, particularly for the public works guy, your city clerk or your city staff. So, asking them to do two projects on top of each other. I guess part of what I'd like you to think about is can our staff handle taking that on? I would probably recommend you taking an approach whether your water system or your sewer system and that way you can face the hits so you're not hitting them with a twenty-five-dollar hit today or tomorrow. You can do a phase approach where we're going to raise you ten dollars starting in March of next year and then again, I'm going to hit you with another seven dollars six months after that. So, it's more of a gradual fee, but then you're also doing it in a way that your city staff doesn't go insane. You're giving them a project that they can handle. There are resources to help you through this project. Thanks for letting us speak.

Mayor White: We're going to take a little break then we have to get going on our seven o' clock meeting. But I want to thank you and appreciate the council. You got a big task ahead of you.

4. **ADJOURN:**

Martinez: I'll make the motion.

Galloska: Second.

Mayor White: All in favor, all-ayes.

Parsons: 6:49pm

Approved by the City Council: 08/24/2021

Monty R. White - Mayor

Attest: _____
Teresa Parsons - Clerk/Treasurer